

## Message Text

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PAGE 01 SANTO 02728 051408Z

42

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 INT-08 L-03 SS-20 SP-03

NSC-07 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 OMB-01

CIEP-02 TRSE-00 OPIC-12 AID-20 IGA-02 /122 W

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R 051315Z JUL 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 0880

INFO AMEMBASSY KINGSTON

C O N F I D E N T I A L SANTO DOMINGO 2728

E.

AJYNRI: EMIN, DR

SUBJECT: ALCOA NEGOTIATIONS WITH GODR REACH TEMPORARY IMPASSE

REF : SD 1548

1. LOCAL MANAGER OF ALCOA, PAT HUGHSON, AND A THREE-MAN TEAM FROM THE PITTSBURGH HOME OFFICE VISITED THE AMBASSADOR JULY 2 TO REPORT THAT THEIR NEGOTIATIONS WITH THE GODR APPARENTLY HAD REACHED A TEMPORARY IMPASSE.

2. THE ALCOA REPS SAID THEY HAD OFFERED TO INCREASE THE GOVERNMENT'S TAX AND ROYALTY TAKE ON BAUXITE EXPORTS FROM ALMOST THREE DOLLARS PER METRIC TON TO ALMOST SIX DOLLARS PER TON AND TO GIVE THE GODR A GUARANTEE TO INCREASE THEIR TAKE TO MATCH WHAT- EVER IS FINALLY DECIDED IN THE JAMAICAN CASE, RETROACTIVE TO JULY 1, 1974. THEY SAID THE GODR NEGOTIATING COMMISSION, COMPOSED OF SECRETARY OF FINANCE SELIMAN, SECRETARY OF INDUSTRY AND COMMERCE SANCHEZ Y SANCHEZ AND EXPORT PROMOTION CENTER DIRECTOR PERICHE, WAS UNWILLING TO ACCEPT THIS OFFER AND WAS DEMANDING A TAX AND ROYALTY TAKE OF CONSIDERABLY MORE THAN THEIR HIGHEST OFFER. THE ALCOA REPS SAID THE DOMINICANS ESSENTIALLY ARE ASKING FOR IMPLEMENTATION OF THE FORMULA RECENTLY IMPOSED BY JAMAICA.

3. ACCORDING TO THE ALCOA REPS, THE NEGOTIATIONS HAVE BEEN VERY CONFIDENTIAL

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PAGE 02 SANTO 02728 051408Z

CORDIAL AND AT THE FINAL MEETING JULY 2 THE GODR COMMISSION SAID

THEY WOULD FORWARD A REPORT TO THEIR SUPERIORS (READ PRESIDENT BALAGUER) DESCRIBING THE IMPASSE. THE THREE-MAN NEGOTIATING TEAM PLANS TO RETURN TO PITTSBURGH JULY 3 BUT IS PREPARED TO RETURN ON SHORT NOTICE.

4. THE ALCOA REPS ARE CONFIDENT THAT THE CURRENT IMPASSE WILL BE OVERCOME AND THAT AN AMICABLE AGREEMENT WILL BE WORKED OUT WITH THE GODR. THEY BASE MUCH OF THEIR CONFIDENCE ON WHAT THEY BELIEVE TO BE THE FUNDAMENTAL REASONABLENESS OF PRESIDENT BALAGUER.  
HURWITCH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BAUXITE, EXPORTS, AGREEMENTS, NEGOTIATIONS, MEETING REPORTS, GOVERNMENT REVENUES, PRICE TRENDS, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Status:** NATIVE  
**Subject:** ALCOA NEGOTIATIONS WITH GODR REACH TEMPORARY IMPASSE  
**TAGS:** EMIN, DR, ALCOA, (HUGHSON, PAT)  
**To:** STATE  
**Type:** TE  
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